

**Memorandum of Agreement**  
**between the**  
**Missile Defense Agency**  
**and the**  
**Defense Contract Management Agency**  
**for**  
**Earned Value Management**



## **I. Purpose:**

The purpose of this MOA is to establish a closer linkage between the Missile Defense Agency (MDA) and the Defense Contract Management Agency for Earned Value Management (EVM). The Missile Defense Agency (MDA) is charged with the development and deployment of the Ballistic Missile Defense System (BMDS). This mission is accomplished through contracts with major suppliers throughout the world. As the DoD Executive Agent for Earned Value Management, DCMA is responsible for Initial Compliance Reviews and ongoing surveillance of supplier EVM systems. This MOA outlines MDA expectations related to Earned Value and DCMA actions to achieve these outcomes.

## **II. Goals & Objectives:**

- a) Through surveillance of contractor's EVM systems, DCMA will ensure that contractor EV performance information is timely and accurate to enable MDA and its Program Element Directors to effectively manage the portions of the BMDS.
- b) EVMS surveillance, as defined in this MOA, will:
  - i) Assess suppliers initial and ongoing compliance with the EVMS guidelines as set forth in Section 2 of ANSI Standard EIA-748 "Industry Guidelines for Earned Value Management Systems".
  - ii) Determine if suppliers are following their documented EVMS procedures (EV system description) for compliance with the EVMS Guidelines.
  - iii) Evaluate changes to a suppliers validated EVMS needed to ensure continued compliance with the ANSI Standard EIA-748.
  - iv) Test system application through Control Account Manager (CAM) interviews on MDA contracts and subcontracts for:
    - (1) Variance analysis
    - (2) Root Cause Analysis
  - v) Initiate corrective action when the supplier's system either does not meet contractual requirements, the application of the system on the MDA element is inconsistent with the accepted system or the system is not providing realistic performance data. These actions should be documented.
  - vi) Report any corrective actions initiated with the contractor to the MDA Program Element Director and MDA/DMA.
  - vii) Evaluate Contractor corrective action plans for effectiveness and track to resolution.
  - viii) Inform the MDA Program Element Director and MDA/DMA of contractor progress.

## **III. SCOPE AND APPLICABILITY**

- a) This Agency Level MOA is a bi-lateral agreement between MDA and DCMA. It applies to all MDA funded contracts with an EVMS requirement--including subcontracted effort.



- b) DCMA, in coordination with MDA, and the Element Management Office, as applicable, will develop and execute EVMS surveillance plans, tailored according to a contract's risks and the processes and maturity of the supplier's EVMS.
- c) The cognizant DCMA Contract Management Offices (CMOs) will provide copies of their periodic reports containing EV program analysis and system surveillance activities directly to MDA/DMA. Report content will be provided concurrently to the BMDS Element Director or his/her staff and MDA/DMA.

#### **IV. ROLES AND RESPONSIBILITIES**

- a) MDA/DMA will:
  - i) Serve as the MDA focal point for EVMS
    - (1) As necessary and available, provide MDA staff to:
      - (a) Develop and implement EVMS surveillance plans and perform surveillance functions in conjunction with DCMA.
      - (b) Assist DCMA in Initial Compliance Reviews and, when necessary, post- acceptance reviews for cause.
- b) DCMA will:
  - i) Develop and implement EVMS surveillance plans and to perform surveillance functions in conjunction with MDA EVMS personnel.
  - ii) Conduct Initial Compliance reviews with MDA participation.
  - iii) Provide copies of Program Support Team (PST) periodic reports to MDA/DMA.
- c) The DCMA/DCAA/Supplier Joint Surveillance Team (JST) will:
  - i) With invitation to MDA for team membership, conduct EVMS surveillance to verify that a supplier's management control system meets the full intention of ANSI/EIA-748-A Standard, "Industry Guidelines for Earned Value Management Systems".
- d) The JST will conduct recurring surveillance activities that:
  - i) Evaluate the supplier's EVMS policies, procedures and external reports to ensure that the EVMS is operated consistently, reliably, and effectively.
  - ii) Assess proposed changes to a supplier's EVMS policies and procedures to ensure continued compliance.
  - iii) Ensure compliance with the supplier's accepted system description and documentation so that system integrity and discipline is established and maintained--especially in the areas of baseline maintenance and control.
  - iv) Validate the accuracy, validity, and timeliness of the supplier's program reported information.
  - v) Establish procedures, metrics and corrective action plans that document and resolve EVMS deficiencies affecting the validity of the supplier's reported program performance information.



- vi) Verify that supplier management is using EVMS information to make informed decisions.

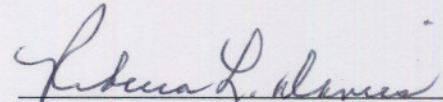
## V. EXPECTED WORK PRODUCTS

- a) The JST will:
  - i) Prepare individual supplier EVMS surveillance plans annually based on risk factors, to include program health, past performance and other factors.
  - ii) Develop an EVMS surveillance metrics database used to assess the overall health of MDA suppliers' management control systems.
  - iii) Prepare periodic reports (at least quarterly) that detail their surveillance findings.
  - iv) Initiate corrective action when warranted.
  - v) Document and evaluate root causes and remedial actions associated with EVMS deficiencies and/or contractual non-compliance.
  - vi) Design, develop and execute a detailed risk handling plan to mitigate any risks associated with deficiencies in a supplier's EVMS.

This MOA will remain in force indefinitely, subject to modification by mutual agreement.

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